

CITY OF ALBUQUERQUE PURCHASING CARDS



POLICIES AND PROCEDURES

This program has been implemented by and is solely regulated under the authority of the Department of Finance and Administrative Services Purchasing Division.

Effective Date: 2/9/99

(Revised 4/3/03)

TABLE OF CONTENTS

Subject	Page
Definitions	3
Overview	5
Request for Card Issuance	5
Request for Card Changes	6
Request for Card Cancellation/Replacement	6
Employee Agreement	6
Cardholder Responsibilities	6
Phone Orders/Electronic Orders	7
Reconciliation	8
Resolution of Transaction Problems	8
Personal Expenses	9
Department Director Responsibilities	9
Card Coordinator Responsibilities	10
Reconciliation and Approval	10
Program Administrator Responsibilities	11
Can and Cannot Do List	12
Conflict of Interest	13
Gross Receipts Tax	13
Program Non-Compliance	13
Lost/Stolen Cards	13
Misuse of Cards	13
Payment Procedures	14
Card & Other Fees	14
Forms/Examples	15

DEFINITIONS

The following terms in this manual have the meaning as defined:

Administrator:	<p>the City has designated Purchasing Administrator(s) (PA) and an Accounting Administrator (AA) for primary responsibility and authority specific to particular functions.</p> <p>Purchasing Administrator's primary responsibility will be EAGLS database maintenance, add cards, change cards, change monetary limits or spending parameters, monitor for purchasing violations, purchasing opportunities and training.</p> <p>Accounting Administrator's primary responsibility will be to serve as the City's point of contact for access to the EAGLS reporting website, extract uploads, record keeping, training and bank payment transaction verification.</p>
Card Administrator:	<p>a City employee (including any designated staff member who can act in the Program Administrator's behalf) charged with the responsibility and given the authority to oversee and regulate the Card program, referred to in this manual as the Administrator or designee.</p>
Card Coordinator:	<p>a departmental employee assigned to monitor Card usage of the department's Cardholders, reconciliation of weekly transaction reports and receipts, per assigned schedule and insure proper City Accounting information is accurate, referenced in the manual as the Coordinator.</p>
Cardholder:	<p>a full-time City employee who has been authorized and approved to use the Card.</p>
Card Provider:	<p>a financial institution that issues Purchasing Cards used by the City referred to in this manual as the Provider.</p>
City:	<p>the City of Albuquerque, a municipal corporation in the state of New Mexico.</p>
Department Director:	<p>the City of Albuquerque current director of the department as stated in the City's Organization Chart or designee on file with the Administrator.</p>

EAGLS:	EAGLS is an acronym meaning E lectronic A ccounting and G eneral L edger S ystem. Bank of America designed EAGLS for their commercial card clients, to help them improve and enhance their PCard program. EAGLS is a secure web-based system that allows the cardholder to manage their PCard . Cardholders will have access to their charges the day following the day the charge is made. An example would be if a charge is made on a PCard today, then tomorrow the cardholder will login to EAGLS and code the charge. No more waiting for transactions and reports to be sent.
May/Can:	is the possibility of occurrence.
Promptly:	requires the act to be initiated or completed within 2 working days.
Purchasing Card:	a commercial credit card with restricted dollar amount limitations and restricted Merchant Category Codes (MCC) assignments, referred to in this manual as the Card or PCard .
Purchasing Card Program Administrator:	The Purchasing Officer and/or designee shall oversee, regulate and administer the purchasing card program and shall designate support for the program and appoint Card Administrator(s) and an Accounting Administrator.
Shall/Will/Must:	is a mandatory requirement.
Transaction:	a purchase made by means of a Card.
Transaction Document:	a sales or charge ticket/slip, sales invoice, credit memo/slip, delivery or receiving ticket/slip, cash register receipt, order form, or other proof of purchase, etc.
Transaction Reports:	web generated reporting tools available from EAGLS that can be tailored in a variety of ways to receive details about all transactions of a group of cardholders or an individual cardholder.

OVERVIEW

The City of Albuquerque has implemented a Purchasing Card Program to serve as an alternate and more efficient method for purchasing small dollar goods. The Card will provide a purchasing method delegated to departments within the purview of the City Purchases Ordinance.

- Non-Purchase Order Method will allow departments to purchase an item or items up to and including \$1,000 (this amount includes the total cost of the item(s) and any associated shipping and handling costs) without having to issue a small purchase order or a payment request.

Benefits. Vendors will receive payment within 2 days instead of the usual 2 to 3 weeks as required by the City to process a check to a vendor. This method will also result in a significant reduction of checks issued by the accounts payable staff, including all other associated costs (i.e. cost of checks, envelopes, postage and person hours to process payments) plus providing improved management reports on expenditures. Information on transactions is usually available within 24 hours of the initiation of the transaction. (EAGLS)

- ❖ Each Card issued will have its own specified dollar amount limits (i.e. per item, per transaction, per day, per month, etc.) and specified restrictions (i.e. various categories of purchases not permitted). Each Card can be tailored to fit a department's unique or specific needs.

IMPORTANT: Although the Card is issued in an individual's name, it remains the property of the Provider and the City. It cannot be transferred, assigned, or used by anyone else other than the designated Cardholder. All communication with the Provider shall be done through the Administrator except for reporting of lost or stolen cards after hours.

REQUEST FOR CARD ISSUANCE

All requests for Card issuance must be submitted via the Card Request/Employee Agreement form, which must have final approval of the Administrator. The requesting department director must request the dollar limitations for the Card and any special restrictions to be added to the regular restrictions automatically imposed. Two of the regular restrictions that are imposed include \$1,000 per transaction and \$15,000 per month. Your monthly card limit is determined by expected usage.

REQUEST FOR CARD CHANGES

All requests for Card changes (i.e. additions, deletions, cancellations, etc.) to Card limits /restrictions must be submitted via the Card Change Request form which must be authorized by the respective department director and approved by the Administrator.

REQUEST FOR CARD CANCELLATION/REPLACEMENT

All requests for Card cancellation or replacement must be submitted via the Card Change Request form, which must be authorized by the respective department director and approved by the Administrator. Any cancellation must be accompanied by the Card, which must be cut in half and sent 'Confidential' to the Administrator. A written memorandum must accompany any request for a replacement of a Card, which was lost, stolen or damaged, from the department director explaining what happened that resulted in the request for replacement.

EMPLOYEE AGREEMENT

Any City employee authorized and approved to use a Card shall be required to read, sign and date the Card Request Employee Agreement form plus attend mandatory training prior to being issued the Card. This agreement serves to duly inform the employee of cardholder responsibilities in the use and safeguarding of the Card, including the consequences if found to have misused the card or failed to comply to the terms and conditions required of a Cardholder.

CARDHOLDER RESPONSIBILITIES

The Cardholder is responsible for the following:

In General

- Request approval as required by the Department.
- Check to ensure adequate budget appropriations exist before incurring any Card charges.
- Affirm and ensure the cardholder is the sole user of the Card.
- Purchase from local businesses whenever feasible.
- Use the Card strictly according to the policies and procedures set forth in this manual.
- Safeguard the Card at all times while in the cardholder's possession.
- Notify Provider, Coordinator and Administrator promptly when the card has been lost or stolen.

- Restrict purchases to those only authorized for City related purposes.
- Surrender the Card upon the request or order of the respective department director, Coordinator, or Administrator.
- Keep and maintain a log of all purchases.
- Keep, maintain and reconcile all transaction documents such as charge tickets, credit slips, invoices, delivery receipts, etc. and submit them as required to the Coordinator. **Items not supported by the proper documentation are the responsibility of the Cardholder.**
- Notify the Administrator and respective Coordinator of any problems (i.e. Card denial, sales tax exemptions, etc.) experienced when using the Card.
- Ensure the vendor provides a transaction document or electronic confirmation/receipt whenever the transaction is performed by phone, mail, fax or e-mail.
- Notify Administrator and respective Coordinator promptly of any purchase mistake made contrary to this manual.
- Submit all charge slips or receipts, including any credit slips and log to respective Coordinator prior to going on leave.
- Accept ONLY a credit slip whenever an item has to be returned to a vendor – no cash refunds.

IMPORTANT: Splitting a transaction into two or more transactions just to get below the single transaction limit is prohibited (“Purchase Splitting”). Exceptions to this policy will be noted and could result in the loss of the employee’s Card as well as appropriate disciplinary action.

Phone Orders/Electronic Orders

When placing phone/electronic orders or on-line orders:

- Provide the vendor with exact shipping instructions including name, street address, and internal location information.
- Instruct the vendor to clearly label all documentation resulting from a purchasing card transaction as such.
- Instruct the vendor to send any sales receipt or invoice directly to Cardholder rather than Accounts Payable Department. This will avoid the possibility of duplicate payment.

- Instruct the vendor to include in the delivery package a sales receipt or invoice, packing list and the purchasing card charge slip.

Reconciliation

- ❖ Transactions reports can be obtained using EAGLS by the Coordinators once a week or as frequently as your department's needs may dictate. Cardholders shall reconcile their receipts, invoices, charge slips, and credits to their purchasing card logs within the time frame established by the respective Coordinator.
- ❖ Disputed Charges: If a cardholder finds a discrepancy on the weekly transaction report, the cardholder should contact the supplier and attempt to resolve the problem directly. All disputed items should be indicated in the transaction log.

Resolution of Transaction Problems

- ❖ The Cardholder is responsible for resolving any disputes or outstanding issues, clearing erroneous charges and requesting credit for returned merchandise directly with the vendor. Most transaction problems can be resolved expeditiously in this manner. Attempts to resolve disputes should be documented.
- ❖ If the Cardholder is unable to reach an agreement with the vendor, forward copies of the documentation to the Administrator. Please indicate on the transaction report which items are in dispute and attach any pertinent notes.
- ❖ The Cardholder and Coordinator are responsible for ensuring proper credit is given on subsequent statements.
- ❖ If a cardholder cannot resolve a disputed item directly with the vendor, the cardholder should complete the Card Coordinator should complete the Dispute form online in EAGLS or call customer service. Bank of America will place the charge in a "State of Dispute" and the account may be given a provisional credit until receipt of adequate documentation from the vendor. If the documentation appears to be in order, the transaction will be re-posted to the account and the dispute considered closed. If the charge is suspected to be fraudulent, the card will be immediately blocked, continue to have a provisional credit (if given) and an investigation of the charge will continue. A new card will then be re-issued to the cardholder, if appropriate. If the charge appears legitimate, the transaction will then post to the new account.
- ❖ Should departmental attempts take more than 60 days to result in a proper resolution, the Administrator can assist in settling any difficult disputes, and clearing erroneous charges directly with the Provider.

Personal Expenses

Note: The Card is to be used solely for authorized City purchases. Personal usage is not permitted with the Card.

IMPORTANT: Any use of the City of Albuquerque Purchasing Card for personal expenses may result, dependent upon the circumstances involved, in the surrender of the Card and disciplinary action.

Department Directors Responsibilities

The Department Director is responsible for the following:

- Assumes the overall responsibility for any employee's use of a Card.
- Provides written authorization for any person to act in his/her behalf to the Administrator.
- Require the Cardholder and designated Coordinator attend Card training sessions.
- Administer disciplinary action to a Cardholder who has intentionally misused his/her Card and report such actions to the Administrator.
- Assign an employee to serve as a Coordinator and ensure the employee is fully knowledgeable of the policies and procedures required of this program.
- Authorization of an employee to be issued a Card and ensuring the employee is personally informed of all the terms and conditions imposed with the privilege of using a Card, including the dollar limitations and restrictions placed on the Card.
- Request dollar limitations and any special restrictions to be imposed on any Card.
- Instruct Coordinator to promptly notify him/her of any unusual transactions showing up on transaction reports.
- Inform departmental Cardholders what constitutes an authorized departmental-related purchase.
- Review reconciled weekly activity statement for overall legitimacy and accuracy of charges.
- Sign the statement, certify the legitimacy and accuracy of the listed transactions; and
- Surrender any Card promptly as requested or ordered by the Administrator.

CARD COORDINATOR RESPONSIBILITIES

The Coordinator is responsible for the following:

In General

- Monitor the use of any Cards issued to employees of their respective department and ensure a Cardholder has provided all required documentation to support each transaction made by the Cardholder.
- Assign all cost center, fund and account numbers to the purchasing card transaction file if charges will vary from default and obtain department director's signature authorization for expenditures made by Cardholders.
- Maintain secure records of each Cardholder and their Card account number.
- Review each transaction report and have Cardholder explain any unusual transaction(s); if the explanation is vague and appears suspect, promptly refer the matter to the respective department director's attention.
- Monitor signed documents to ensure and confirm only the designated Cardholder has used the Card.
- Monitor departmental accounts to ensure funds are not overspent.
- Notify Cardholders of the fiscal year cut-off dates.
- Confiscate, audit and return a Card to the Administrator whenever a respective Cardholder has accepted a job in another department, resigned, been terminated, retired or died.

Reconciliation and Approval

- Transaction reports can be generated from EAGLS website weekly by the Coordinators and should be given to the Cardholder for review on the same day.
- Reconcile reports by verifying **(a)** the transactions on the weekly activity statement against the retained receipts, sales slips, credit card slips, and/or invoices and Purchasing log; **(b)** the amount of each transaction and **(c)** the goods have been received.
- Weekly Statement: Attach all sales receipts, invoices and credit slips for the transactions listed on the statement.
- Assist the Cardholder in settling any transaction posting errors or disputes; posting of vendor credits to the statements. In the event an agreement cannot be reached with a vendor regarding disputes or errors, refer the matter to the Administrator for assistance.

- For any disputed or questioned items see discussion in the Cardholder section on Resolution of Transaction Problems as stated herein.
- Complete the Purchasing Card Log, forward reconciled transaction report and attached supporting documents to the department director for review and approval within 5 days of weekly EAGLS transaction report distribution.
- The department director must (a) review the reconciled weekly activity statement for overall legitimacy and accuracy of the charges; (b) sign the purchasing card log certifying the legitimacy and accuracy of the listed transactions and (c) return to the department's Coordinator to retain the records within the department in an secure and orderly manner.

The Purchasing and Accounting Division, or Internal Audit may perform audits to determine if all participants are adhering to policies and procedures.

<h3 style="text-align: center;">Program Administrator Responsibilities</h3>

The Program Administrators are responsible for the following:

- ◆ Implement the purchasing card program by the Purchasing Division, Accounting Division and Information Services Division.
- ◆ Set up training schedules and conduct training for Coordinators and Cardholders.
- ◆ Maintain a list of all Cardholders and their Card account numbers.
- ◆ Maintain a list of participating department directors and sample signatures
- ◆ Oversee the Card program to ensure it is operated according to the established policies and procedures outlined in this manual.
- ◆ Establish and maintain internal controls with the assistance of the Accounting Division and Internal Audit.
- ◆ Periodically review all policies and procedures, forms used and data-processing programs to determine additional needs, revisions, enhancements and/or updates.
- ◆ Approve issuance and replacement of all Cards requested by a department director.
- ◆ Approve necessary Card dollar limitations or restrictions overrides to the Provider as a result of an emergency situation occurring.
- ◆ Request issuance of all Cards from the Provider.

- ◆ Cancellation of Cards with the Provider.
- ◆ Approve all requested changes to Cards and request said changes be made by the Provider.
- ◆ Maintain records of any failures by Cardholders or a department to comply with the policies and procedures of the program; and, determine how many non-compliance issues have been made and the seriousness of each non-compliance, and if it should result in the surrender of a Card(s).
- ◆ Notification of department director regarding Cardholder's serious non-compliance.
- ◆ Serve as liaison between Card-using departments and the Provider when certain needs or problems arise.
- ◆ Monitor card issuance to ensure no Card is re-assigned or transferred to another individual or department.
- ◆ Request and coordinate any needed data processing changes between the Purchasing Division, Accounting Division, Information Services Division and the Provider.
- ◆ Handle sales tax exemption misunderstanding with vendors and Provider.
- ◆ Provide notification to the Provider of any person who assumes the Administrator's responsibilities due to the incumbent's change in duties: or, may act in the behalf of the Administrator during absence.

Can and Cannot Do

CAN DO	CANNOT DO
<p>One time purchase item(s) up to and including \$1,000</p> <p>Purchase items by phone, mail order, FAX, on-line</p>	<p>Airline tickets</p> <p>Car Rental</p> <p>Entertainment of ANY sort</p> <p>Liquor/beer/wine</p> <p>Cigarettes</p> <p>Gasoline/diesel fuels</p> <p>Lodging facilities</p> <p>Cash advances</p> <p>Holiday decorations for offices</p> <p>Advertising</p> <p>Personal purchase of ANY sort</p> <p>Any City Warehouse items</p> <p>Any items currently on City Contracts</p>

IMPORTANT: If there are any doubts as to what can and cannot be purchased, the Cardholder must call the Coordinator or Administrator for clarification prior to purchase. If an emergency situation exists, the current emergency purchase procedures should be followed.

Conflict of Interest

The Cardholder should not use the Card at any business in which he/she has a financial interest in its operation.

Gross Receipts Tax

The City is exempt from paying local, county and state gross receipts taxes for goods. However, if a vendor is reluctant to accept that statement at face value, the tax may be applied to the transaction document, but the vendor must list the tax on a separate line item on the transaction document. The Administrator must be promptly notified of such occurrence so that a non-taxable certificate can be issued.

Program Non-Compliance

Any noncompliance to the policies and procedures or employee agreements may result in (a) the cancellation of the Cardholder's Card by the Administrator, (b) cancellation of a department's participation in the program, and (c) initiating disciplinary action, which may include dismissal from City employment, or criminal charges filed against the cardholding employee with the local District Attorney's Office.

Lost/Stolen Cards

Upon discovery that a Card has been lost or stolen, the Cardholder is responsible to immediately notify the respective department director, Coordinator, and the Administrator at (505) 768-3319 of the circumstance. The department director will be required to send a memorandum to the Administrator with an explanation as to what happened and attach to the **Card Change Request** form, requesting a card cancellation and replacement. If the discovery of a lost or stolen card is made after hours the Cardholder **MUST** call Bank of America at: 1-800-300-3084.

Misuse of Cards

- The Coordinator shall promptly report any misuse of a Card to the respective department director. The department director shall promptly look into the matter and determine if

any disciplinary action is warranted. The department director shall notify in writing the Administrator as to what happened and if any disciplinary action was taken.

- Any Cardholder who purchases any merchandise deemed by the department director or Administrator as inappropriate or unnecessary may be required to personally pay for said purchase and appropriate disciplinary action may be taken.
- If a department is found to have (a) not reported a misuse, (b) repeated misuses occur, or (c) failed to maintain its records as required for control purposes in the event of audit by the Accounting Division or Purchasing Division, the Administrator has the authority to terminate the use of all Cards issued to employees of that department. Length of said termination will be at the discretion of the Administrator or the Purchasing Officer.
- Any Cardholder found to have intentionally misused a Card will be subject to (a) repayment to the City and disciplinary action by the respective department director, (b) dismissal from City employment, or (c) the filing of criminal charges by the City against the employee.

Payment Procedures

- ❖ Provision for payment must be made according to law and appropriation.
- ❖ The Cardholder is accountable to ensure that charge slips and supporting documentation are submitted with the statement.
- ❖ The Coordinator is accountable to ensure that the charges have the proper general ledger coding and approval.
- ❖ Returns: In the event of returns, the Coordinator must check the subsequent transaction reports for the credit and attach the credit slip, or other supporting documentation to the statement when filed for audit.
- ❖ Disputed Charges: When there are disputed charges or a Coordinator has any questions, the Coordinator shall contact the Administrator.
- ❖ A Cardholder may not request nor accept a CASH refund on a purchase if it was paid for with a Card.

Card or Other Fees

Any associated Card or other fees charged by the Provider must be paid by the using department. Currently there are no fees charged to the City by the Provider for Card services.

Forms

The attached forms may be used in the purchasing card program.

- ❖ Card Request/Employee Agreement
- ❖ Card Change Request
- ❖ Request for Assignment of Dollar Limitations
- ❖ Purchase Card Log